

**SOUTH DAKOTA HEALTH AND
EDUCATIONAL FACILITIES
AUTHORITY**

2009 ANNUAL REPORT

**South Dakota Health and Educational
Facilities Authority
330 South Poplar – Suite 102
Pierre, South Dakota 57501
(605) 224-9200**

CONTENTS

Authority Members and Staff	3
Independent Auditor's Report	4
Management's Discussion and Analysis	6
Balance Sheet	10
Statement of Revenues, Expenses and Changes in Net Assets	11
Statement of Cash Flows	12
Notes to Financial Statements	14
Supplementary Information	
Schedule of Projects Financed	27
Schedule of Assisted Projects Financed	35

AUTHORITY MEMBERS AND STAFF

NORBERT SEBADE, Chairman; resident of Rapid City; Regional President SD Southern Hills Region, First Interstate Bank of Rapid City, member of South Dakota Community Foundation, Children's Home Society Foundation and Black Hills State University Foundation, Chairman of the Board of SDREI and former Trustee of Rapid City Regional Hospital. Term expires June 30, 2013.

MACK WYLY, Vice Chairman; resident of Stanley County; farmer-rancher; Chairman of the Board of Directors of the American State Bank; member of the South Dakota Stockgrowers and the National Cattleman's Association; former member of the Board of Directors of the Farm Mediation Board, South Dakota Wheat, Inc., the St. Mary's Foundation and the Stanley County Commission. Term expires June 30, 2010.

WILLIAM V. FISCHER, Treasurer; resident of Fort Pierre; President and Director of the American State Bank in Pierre; member of the South Dakota Chamber of Commerce and Industry, the South Dakota Bankers Association and the National American Bankers Association; former member of the South Dakota Investment Council and former Chairman of St. Mary's Foundation. Term expires June 30, 2013.

ALAN "DICK" DEMPSTER, member; resident of Sioux Falls; Principal Architect and President of Architecture Incorporated, Sioux Falls, South Dakota. Term expires June 30, 2010.

STEPHEN E. EGGER, member; resident of Sioux Falls; President of Egger Steel Company; a member of the Board of Directors of The First National Bank in Sioux Falls, the American Institute of Steel Construction, the South Dakota Children's Home Society and the Washington Pavilion Performing Arts Center; and former member of the Board of Directors of Sioux Valley Hospitals and Health System. Term expires June 30, 2009.

GENE N. LEBRUN, member; resident of Pennington County; lawyer with Lynn, Jackson, Shultz & Lebrun, P.C.; counsel for South Dakota School of Mines & Technology; counsel and member of Board of Directors for Westhills Village; Commissioner South Dakota Uniform Laws Commission; member and past president of National Conference of Commissioners on Uniform State Laws; former member of Advisory Commission on Electronic Commerce; former member and Speaker of House of Representatives. Term expires June 30, 2013.

WILLIAM F. LYNCH, member; resident of Pierre; Chief Financial Officer of the Associated School Boards of South Dakota; member and former President of the Association of School Business Officials; a member of the Association of School Business Officers International; a member and former President of School Administrators of South Dakota Association. Term expires June 30, 2012.

DONALD A. TEMPLETON, Executive Director and Secretary

JERRY D. FISCHER, Administrative and Financial Advisor

JEREMIAH D. MURPHY, General Legal Counsel

DUSTIN CHRISTOPHERSON, Associate Director

MICHAEL L. JOST, Accountant

REBECCA J. McQUAY, Administrative Assistant



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
South Dakota Health and Educational Facilities Authority
Pierre, South Dakota

We have audited the accompanying basic financial statements of the South Dakota Health and Educational Facilities Authority as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Dakota Health and Educational Facilities Authority as of June 30, 2009 and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2009 on our consideration of South Dakota Health and Educational Facilities Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 6 through 9 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

PEOPLE. PRINCIPLES. POSSIBILITIES.

www.eidebailly.com

200 E 10th St., Ste. 500 ■ PO Box 5126 ■ Sioux Falls, South Dakota 57117-5126 ■ Phone 605.339.1999 ■ Fax 605.339.1306 ■ EOE

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of projects financed on pages 27 through 34 and the schedule of assisted projects financed on pages 35 and 36 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Eide Bailly LLP

Sioux Falls, South Dakota
November 9, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

This section of the South Dakota Health and Educational Facilities Authority's (Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2009 (FY 2009). This analysis should be read in conjunction with the independent auditor's report, financial statements, notes to the financial statements and supplementary information.

The Authority

The Authority is a body politic and corporate and public instrumentality of the State of South Dakota created in 1972 by Chapter 1-16A of the South Dakota Codified Laws "SDCL" (the Act). The purpose of the Authority is to (i) assist private nonprofit health and educational institutions in South Dakota in the construction, acquisition, financing and refinancing of projects to be undertaken for health care and higher education programs, (ii) assist South Dakota school districts and public bodies to alleviate cash flow shortages and reduce short-term borrowing costs, (iii) finance capital improvements for vocational education, (iv) assist public bodies in the financing of real property, equipment or other personal property and (v) assist public bodies, health institutions and educational institutions in the investment of funds intended for use or application in connection with any purpose, project or program authorized by the Act.

Under the Act, the Authority is authorized and empowered, among other things: to issue bonds, notes and other obligations for any of its corporate purposes and to refund the same; to charge and collect rates, rents, fees and charges for the use of projects or for services furnished by facilities in relation thereto; to construct, reconstruct, renovate, replace, maintain, repair, operate, lease or regulate projects for participating health institutions or participating educational institutions and to enter into contracts for the management or operation of projects; to refinance indebtedness of participating health institutions or participating educational institutions incurred with respect to the construction or acquisition of facilities by such institutions; to establish or cause to be established rules and regulations for the use of projects; to receive in relation to a project, loans or grants from any public agency or other source; to make loans to participating health institutions or participating educational institutions for costs of projects; to mortgage any project and the site thereof for the benefit of the holders of bonds issued to finance such project; and to do all things necessary or convenient to carry out the purpose of the Act.

The Act provides that the Authority shall consist of seven members serving five-year terms who shall be appointed by the Governor. All members of the Authority serve without compensation but are entitled to reimbursement for actual or necessary expenses incurred in the performance of their duties under the Act. The Authority annually elects one member to serve as Chairman, one member to serve as Vice Chairman and one member to serve as Treasurer.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a balance sheet; a statement of revenues, expenses and changes in net assets; a statement of cash flows; and notes to the financial statements. While detailed sub-fund information is not presented, separate accounts are maintained for each institution to control and manage funds for particular purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009
(continued)

Financial Highlights

- Total assets of the Authority decreased \$44.9 million or 4.6%.
- Total liabilities of the Authority decreased \$45.0 million or 4.6%.
- Net assets of the Authority increased \$99,121 or 4.5%.
- Cash and cash equivalents of the Authority increased \$338,680 or 1.6%.
- Investments decreased \$49.9 million or 33.9%.
- Receivables from institutions and bonds payable increased \$4.5 million or .6%.

Financial Statement Elements

Changes in Assets and Liabilities (in thousands of dollars)

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Assets			
Cash and cash equivalents	\$ 21,880.4	\$ 21,541.7	1.6%
Investments	97,192.1	147,076.3	(33.9%)
Receivable from institutions	819,479.7	814,938.0	.6%
Accrued interest	855.2	779.0	9.8%
Accounts receivable	36.0	47.0	(23.4%)
Other assets	2.7	2.4	12.5%
Total Assets	<u>939,446.1</u>	<u>984,384.4</u>	<u>(4.6%)</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable	40.5	23.5	72.3%
Bonds payable	819,479.7	814,938.0	.6%
Accrued interest payable	6,077.3	7,543.4	(19.4%)
Amounts held under the terms of the bond indentures	111,567.4	159,697.5	(30.1%)
Total Liabilities	<u>937,164.9</u>	<u>982,202.4</u>	<u>(4.6%)</u>
Net Assets	<u>2,281.2</u>	<u>2,182.0</u>	<u>4.5%</u>
Total Liabilities and Net Assets	<u>\$ 939,446.1</u>	<u>\$ 984,384.4</u>	<u>(4.6%)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

(continued)

Operating Activities

Changes in Operating Income (in thousands of dollars)

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Revenues:			
Planning and service fees	\$ 489.0	\$ 449.9	8.7%
Application fees	30.0	44.3	(32.3%)
Interest income on receivables from institutions	23,599.7	28,046.4	(15.9%)
Investment income	4,408.7	5,683.1	(22.4%)
Other income	179.7	190.9	(5.9%)
	<hr/>	<hr/>	
Total revenues	28,707.1	34,414.6	(16.6%)
	<hr/>	<hr/>	
Expenses:			
Personal services and benefits	469.3	460.0	2.0%
Travel	12.2	10.7	14.0%
Contractual services	179.3	132.4	35.4%
Supplies and materials	15.5	16.9	(8.3%)
Interest	27,931.7	33,633.2	(17.0%)
	<hr/>	<hr/>	
Total expenses	28,608.0	34,253.2	(16.5%)
	<hr/>	<hr/>	
Operating income	\$ 99.1	\$ 161.4	(38.5%)

Analysis:

Bond issuances for FY 2009 were \$148.4 million, a \$56.3 million decrease over the previous year. Bond payments for the year were \$143.9 million, a \$5.2 million increase over the prior year. Transfers to escrow for the year was \$-0-, a \$1.0 million decrease over the prior year. Investment income decreased \$1.3 million or 22.4% primarily due to decreasing interest rates on U.S. Government treasuries and agencies from FY 2008 to FY 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009
(continued)

Debt Administration:

The Authority is authorized to issue tax-exempt revenue bonds, notes or other obligations on behalf of nonprofit institutions for the purpose of the constructing, equipping and improving of facilities or the refinancing of outstanding debt.

The Authority issued a total of \$148.4 million in bonds in fiscal year 2009 of which \$67,465,000 were to Rapid City Regional Health Revenue Refunding Bonds 2008, \$61,495,000 were to Avera Health Revenue Refunding Bonds 2008C, and \$19,465,000 were to Vocational Education Program 2008.

The Authority retired or paid at maturity a total of \$143.9 million in fiscal year 2009 of which \$123.6 million was retired in advance of scheduled maturity and \$20.3 million was matured principal.

The Authority's bonds are rated from AAA to CC+ by Standard and Poor's and Aaa to Caa2 by Moody's Investor Service and some bonds are unrated.

More detailed information about the Authority's debt can be found in Note 2 to the financial statements, Bonds Payable.

Overview:

Interest income from receivables from institutions, interest income on investments and planning and service fees are the major source of revenue for the Authority. Interest rates are at historically low levels and if they continue at such levels, the Authority would expect these revenues to be stable or decrease slightly. If short-term interest rates increase the Authority would anticipate interest payments on investments to increase as funds are invested in securities with higher rates.

This report is presented to provide additional information regarding operations of the Authority and to meet the requirements of GASB Statement No. 34.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

**BALANCE SHEET
June 30, 2009**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 161,208
Certificates of deposit	2,110,000
Accrued interest	11,744
Accounts receivable	36,000
Other assets	<u>2,708</u>
Total current assets	<u>2,321,660</u>
Restricted assets:	
Cash and cash equivalents	21,719,142
Certificates of deposit	7,709,049
United States Treasury and agency securities	87,373,043
Receivables from institutions	819,479,694
Accrued interest	<u>843,485</u>
Total restricted assets	<u>937,124,413</u>
Total assets	<u>\$ 939,446,073</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 40,496
Bonds payable	21,753,446
Accrued interest payable	6,077,340
Amounts held under the terms of the bond indentures	<u>96,457,827</u>
Total current liabilities	<u>124,329,109</u>
Noncurrent liabilities:	
Bonds payable	797,726,248
Amounts held under the terms of the bond indentures	<u>15,109,551</u>
Total noncurrent liabilities	<u>812,835,799</u>
Total liabilities	<u>937,164,908</u>

NET ASSETS

Net assets - unrestricted	<u>2,281,165</u>
Total liabilities and net assets	<u>\$ 939,446,073</u>

See Notes to Financial Statements.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2009**

Revenues:

Planning and service fees	\$ 488,963
Application fees	30,000
Interest income on receivables from institutions	23,599,744
Investment income	4,331,931
Other interest income	76,826
Other income	<u>179,665</u>

Total operating revenues	<u>28,707,129</u>
--------------------------	-------------------

Expenses:

Personal services and benefits	469,290
Travel	12,240
Contractual services	179,308
Supplies and materials	15,495
Interest	<u>27,931,675</u>

Total operating expenses	<u>28,608,008</u>
--------------------------	-------------------

Operating income	99,121
------------------	--------

Net assets at beginning of year	<u>2,182,044</u>
---------------------------------	------------------

Net assets at end of year	<u><u>\$ 2,281,165</u></u>
---------------------------	----------------------------

See Notes to Financial Statements.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2009**

Cash flows from operating activities	
Cash received from institutions for:	
Contract services and planning and application fees	\$ 698,628
Interest on receivables	28,919,032
Collection of receivables	28,883,223
Payment for personal services and benefits	(469,290)
Payment for other operating expenses	(179,306)
Receivable arising from payment of project funds for:	
Construction and equipment costs	(85,307,772)
Bond issuance costs net of premium	<u>(1,487,577)</u>
Net cash used in operating activities	<u>(28,943,062)</u>
Cash flows from noncapital financing activities	
Proceeds from issuance of bonds	148,425,000
Principal payments on bonds	(143,883,354)
Interest payments on bonds	<u>(29,397,734)</u>
Net cash used by noncapital financing activities	<u>(24,856,088)</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investment securities	199,001,165
Purchase of investment securities	(147,682,640)
Interest received	<u>2,819,305</u>
Net cash provided in investing activities	<u>54,137,830</u>
Net increase in cash and cash equivalents	338,680
Cash and cash equivalents - beginning of year	<u>21,541,670</u>
Cash and cash equivalents - end of year	<u>\$ 21,880,350</u>
Reconciliation to balance sheet	
Unrestricted cash and cash equivalents	\$ 161,208
Restricted cash and cash equivalents	<u>21,719,142</u>
Total cash and cash equivalents	<u>\$ 21,880,350</u>

See Notes to Financial Statements.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

**STATEMENT OF CASH FLOWS
(continued)**

For the Year Ended June 30, 2009

Cash flows from operating activities	
Operating income	\$ 99,121
Adjustments to reconcile operating income to net cash used in operating activities	
Interest expense	27,931,675
Investment income	(4,331,931)
Change in assets	
Decrease in interest receivable	2,113
Decrease in accounts receivable	11,000
Increase in receivable from institutions	(4,541,646)
Increase in other assets	(289)
Change in liabilities	
Increase in accounts payable	17,026
Decrease in amounts held under the terms of the bond indentures	<u>(48,130,131)</u>
Net cash used in operating activities	<u>\$ (28,943,062)</u>

See Notes to Financial Statements.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

1. Organization and Significant Accounting Policies

Organization:

The South Dakota Health and Educational Facilities Authority (the "Authority") is a public instrumentality of the State of South Dakota intended to provide an additional capital financing method for non-profit health and educational institutions within the State. The Authority's operation includes the issuance of tax-exempt revenue bonds, notes or other obligations on behalf of nonprofit institutions for the purpose of the constructing, equipping and improving of facilities or the refinancing of outstanding debt. These bonds, notes or other obligations and the interest thereon do not constitute a debt or liability of the State of South Dakota or any political subdivision thereof, but are special obligations of the Authority and are payable solely from the repayments received by the Authority for each particular project and program.

The Authority is engaged in only business-type activities and as such its financial statements are presented as required for enterprise funds. The activities of the Authority are recorded under various accounts established for the administration of the Authority's programs. Substantially all of the Authority's assets are restricted pursuant to the terms of the respective bond indentures and agreements.

The various accounts maintained by the Authority are as follows:

Administrative account which accounts for planning and service fees and disbursements necessary to conduct the day-to-day business affairs of the Authority.

Facility Projects under which the Authority is providing financing for building projects for nonprofit health and educational institutions:

Avera McKennan
Avera Queen of Peace
Avera Sacred Heart
Avera St. Luke's
Children's Care Hospital and School
Dakota Hospital Association
Dells Area Health Center
Huron Regional Medical Center
Miller School District
Prairie Crossings

NOTES TO FINANCIAL STATEMENTS

Prairie Lakes Health Care System
Regional Health (formerly Rapid City Regional Hospital)
Sanford Health (formerly Sioux Valley Hospital)
University of Sioux Falls
Vocational Education Program Series 1998A
Vocational Education Program Series 1999
Vocational Education Program Series 2004
Vocational Education Program Series 2007
Vocational Education Program Series 2008
Westhills Village Retirement Community

Significant accounting policies:

General:

The accrual basis of accounting is used, whereby revenues are recognized when earned and expenses are recognized when incurred. Net operating income includes all revenue and expenses including interest income from receivables, investment income and interest expense on bonds.

Generally accepted accounting principles in the United States of America applicable to the Authority are generally those applicable to similar businesses in the private sector; however the Authority has elected to apply the provisions of Government Accounting Standards Board (GASB) Statement Number 20 issued in September, 1993. As permitted by generally accepted accounting principles in the United States of America, the Authority has elected to apply only those statements and interpretations of the Financial Accounting Standards Board issued before November 30, 1989 in its accounting and reporting practices for its activities except those that conflict with the GASB pronouncement.

Cash and cash equivalents:

For purposes of the accompanying balance sheet and statement of cash flows all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Investments:

The Authority reports investments in United States Treasury and Agency securities and government securities funds, which are short-term money market funds, at fair value. Changes in fair value are recognized in the statement of revenues, expenses and changes in net assets. The Authority has historically held the treasury securities to their maturity dates.

Receivables/concentration of credit risk from institutions:

The receivables from institutions are recorded at an amount equal to the contractual liability resulting from the related debt obligation. Management has determined that no allowance for doubtful receivables is necessary based upon periodic reviews of the financial position of the institutions and the value of the underlying collateral. Three health facilities account for 85% of the receivables from institutions. At June 30, 2009 the Authority had receivables from these three institutions of \$696,743,193 consisting of \$312,608,193 from Avera Health, \$141,895,000 from Regional Health and \$242,240,000 from Sanford Health.

Accrued interest on receivables from institutions is netted against amounts held under the terms of the bond indentures in the accompanying balance sheet.

Restricted assets:

Restricted assets include cash and cash equivalents, investments and receivables maintained in accordance with bond indentures for the purpose of funding receivable advances, bond payments and contingencies.

Amounts held under the terms of the bond indentures:

The amounts held under the terms of the bond indentures are comprised of various reserve accounts, payments received from institutions which have not yet been applied to the receivables from institutions and undisbursed project funds. Any amounts remaining in this liability account will be disbursed to the institution after the related project indebtedness is fully amortized. (See Note 9 for a detailed listing.)

Planning and service fee operating revenues:

The Authority's planning and service fee operating revenues are derived from fees assessed on a percentage of the outstanding debt of each issue. The institutions are billed on an annual basis and revenues are recognized over the period covered.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Bonds Payable

Long-term debt in the form of bonds payable has been issued by the Authority. Long-term debt issue dates are from 1994 – 2008, the fixed rates of interest are from 3.25% – 7.30%, and the maturity dates are through 2041. The following table represents the changes in the bonds payable.

	<u>Bonds Payable</u>
Balance, June 30, 2008	\$ 814,938,048
Additions	148,425,000
Reductions	<u>143,883,354</u>
Balance, June 30, 2009	<u>\$ 819,479,694</u>
Amount due within one year	<u>\$ 21,753,446</u>

Funds received under the various forms of tax-exempt indebtedness, including Certificates of Participation, issued by the Authority have been loaned to health and educational institutions which are required to make payments to the Authority or trustee sufficient to meet the principal and interest requirements of the related tax-exempt obligations. The institutions, terms and amounts of the bonds payable at June 30, 2009 are as follows:

NOTES TO FINANCIAL STATEMENTS

	<u>Maturity Date</u>	<u>Percent Interest Rate</u>	<u>Bonds Payable</u>
Avera McKennan			
Series 1996	July 1, 2010	6.25	\$ 4,120,000
Series 2002	July 1, 2027	4.15 - 5.75	18,625,000
Series 2007	November 6, 2018	3.57	6,233,193
Series 2008A	July 1, 2038	(1)	100,400,000
Series 2008B	July 1, 2038	5.25 - 5.50	50,320,000
Series 2008C	July 1, 2033	(1)	45,335,000
Avera Queen of Peace			
Series 2008A	July 1, 2038	(1)	18,475,000
Series 2008C	July 1, 2033	(1)	4,030,000
Avera Sacred Heart			
Series 2002	July 1, 2027	4.15 - 5.75	12,890,000
Series 2008A	July 1, 2038	(1)	5,000
Series 2008C	July 1, 2033	(1)	3,120,000
Avera St. Luke's			
Series 2002	July 1, 2027	4.15 - 5.75	19,720,000
Series 2008A	July 1, 2038	(1)	20,325,000
Series 2008C	July 1, 2033	(1)	9,010,000
Children's Care Hospital and School			
Series 2007	November 1, 2029	4.00 - 4.75	8,370,000
Dakota Hospital Association			
Series 1997	November 1, 2027	(1)	4,870,000
Dells Area Health Center			
Series 2000	November 1, 2025	(1)	3,930,000
Huron Regional Medical Center			
Series 1994	April 1, 2016	7.30	3,500,000
Series 2006	April 1, 2020	4.75 - 5.00	3,865,000
Miller School District No. 29-1			
Series 1998C	February 15, 2012	4.55 - 4.65	460,000
Prairie Crossings			
Series 2007	June 1, 2025	5.08	3,846,501
Prairie Lakes Health Care			
Series 1998	April 1, 2022	5.45 - 5.65	10,350,000
Series 2002	April 1, 2032	4.375 - 5.625	13,575,000

NOTES TO FINANCIAL STATEMENTS

	<u>Maturity Date</u>	<u>Percent Interest Rate</u>	<u>Bonds Payable</u>
Regional Health			
Series 1998	September 1, 2022	5.00	36,600,000
Series 1999	September 1, 2014	5.25	4,515,000
Series 2001	September 1, 2025	5.00 - 5.625	33,315,000
Series 2008	September 1, 2027	(1)	67,465,000
Sanford Health			
Series 1997	November 1, 2022	(1)	3,435,000
Series 2001B	November 1, 2020	(1)	5,975,000
Series 2001C	November 1, 2019	(1)	30,000,000
Series 2001D	November 1, 2014	(1)	24,705,000
Series 2001E	November 1, 2024	5.375 - 6.00	36,280,000
Series 2004A	November 1, 2034	5.25 - 5.50	52,000,000
Series 2004B	November 1, 2034	(1)	17,090,000
Series 2007	November 1, 2040	5.00	72,755,000
University of Sioux Falls			
Series 2001	October 1, 2016	(1)	2,310,000
Series 2005	October 1, 2034	(1)	5,625,000
Vocational Education Program			
Series 1998A	August 1, 2013	5.40	2,310,000
Series 1999	August 1, 2024	5.00 - 5.35	5,490,000
Series 2004	August 1, 2023	3.25 - 4.50	3,715,000
Series 2007	August 1, 2022	4.00 - 5.125	8,390,000
Series 2008	August 1, 2038	5.125 - 5.50	19,465,000
Westhills Village			
Retirement Community			
Series 2003	September 1, 2023	4.75 - 5.65	11,520,000
Series 2006	September 1, 2031	4.50 - 5.00	<u>11,145,000</u>
			<u>\$ 819,479,694</u>

(1) A variable interest rate shall be determined by the remarketing agent. Under certain circumstances the interest rate may be converted to a fixed rate. At June 30, 2009 the rates ranged between .20% and .66%.

NOTES TO FINANCIAL STATEMENTS

Aggregate maturities required on bonds payable at June 30, 2009 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	21,753,446	39,452,651	61,206,097
2011	23,877,586	38,272,784	62,150,370
2012	25,006,966	36,984,418	61,991,384
2013	26,053,166	35,643,161	61,696,327
2014	27,239,803	34,286,749	61,526,552
2015-2019	147,709,425	150,628,379	298,337,804
2020-2024	152,495,958	113,415,927	265,911,885
2025-2029	140,808,344	77,358,540	218,166,884
2030-2034	126,655,000	46,079,447	172,734,447
2035-2039	119,205,000	14,760,279	133,965,279
2040-2041	<u>8,675,000</u>	<u>439,125</u>	<u>9,114,125</u>
	<u>\$ 819,479,694</u>	<u>\$ 587,321,460</u>	<u>\$ 1,406,801,154</u>

The interest maturity schedule for variable rate bonds is calculated using a benchmark rate for the term of the bond. The average benchmark rate used for the interest maturity schedule is 4.47%.

The bonds are limited obligations of the Authority and are collateralized by a combination of: first mortgages on the physical property financed, mortgage payments received by the Authority from the institutions, a security interest in the gross receipts of the institutions, first liens on the personal property financed, the Authority's assignment of its security interest in the mortgaged properties to the trustees of the bond issues; and, for certain institutions, assigned leases and cash and securities held by the institutions in restricted accounts.

3. Extinguishment of Debt

The Authority has deposited assets in various trusts which are sufficient to pay principal and interest obligations on the bond issues listed below. The bonds are considered to be extinguished for financial reporting purposes and, accordingly, the bonds together with the funds held in trust are not reported in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS

Fully refunded bonds not yet paid to bondholders as of June 30, 2009 are as follows:

<u>Project</u>	<u>Date of Refund</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>	<u>Balance 6-30-09</u>
Children's Care Hospital And School	March 2007	Series 1999	8,410,000	8,040,000
Prairie Crossings	April 2007	Series 1999	5,340,000	4,980,000

On July 1, 2008, the Authority issued \$61,495,000 of Avera Health Series 2008C bonds that refunded the Avera McKennan Series 2006 bonds. The purpose of the Avera Health refunding was to produce a lower interest rate due to a rating downgrade by bond insurers of the Series 1994 bonds and difficulties experienced in the Auction Rate bond market affecting the Series 2006 bonds. On August 14, 2008, the Authority issued \$67,465,000 of Rapid City Regional Hospital Series 2008 bonds that refunded the Rapid City Regional Hospital Series 2003 bonds. The purpose of the Rapid City Regional Hospital refunding was to produce a lower interest rate due to a rating downgrade of the bond insurers.

4. Cash and Investments

The Authority invests all funds in accordance with SDCL 1-16A-19. Administrative assets of the Authority are purchased and generally held until maturity.

The Authority's cash and investments for financed projects are held and administered by a bank trust department in accordance with the SDCL investment requirements and the terms of the bond and note indentures. Separate accounts are maintained for the required debt service reserve accounts (see Note 6) and other purposes as stipulated in the indentures. All project investments are held on behalf of the Authority by the bank as trustee. As noted below, some individual projects have formal investment policies in certain risk categories.

Interest Rate Risk:

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2009, the Authority had the following investments and maturities:

NOTES TO FINANCIAL STATEMENTS

<u>Investments</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>More Than 5</u>
Goldman Sachs Fund	\$ 21,690,934	\$ 21,690,934*	\$ -	\$ -
U.S. Government Agency Securities	86,533,771	54,060,007	31,559,162	914,602
U.S. Government Treasury Securities	839,272	-	136,913	702,359
Certificates of Deposits	<u>9,819,049</u>	<u>8,291,267</u>	<u>1,527,782</u>	<u>-</u>
Total	<u>\$ 118,883,026</u>	<u>\$ 84,042,208</u>	<u>\$ 33,223,857</u>	<u>\$ 1,616,961</u>

* Based upon average maturities

Custodial Credit Risk-Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$6,653,632 of the Authority's bank deposits balance of \$10,031,755 was exposed to custodial credit risk as uninsured and collateralized with securities held by the bank in the name of the Trustee.

Custodial Credit Risk-Investments:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2009, the Authority had \$86,533,771 in U.S. Government Agency Securities and \$839,272 in U.S. Government Treasury Securities all of which are held by the Trustee and in the name of the Trustee. The Authority does not have an investment policy limiting the holding of securities by an outside party.

Credit Risk:

Statutes authorize the Authority to invest in direct obligations of the United States of America, obligations issued by any agency or instrumentality of the United States of America, in certificates of deposit or time deposits of any bank which is a qualified public depository or any savings and loan association which is a savings and loan depository, in obligations of any solvent insurance company or other corporation existing under the laws of the United States or any state thereof provided the company or corporation is rated in one of the two highest rating classifications established by a standard rating service of insurance companies or a nationally recognized rating agency, in short-term discount obligations of the Federal National Mortgage Agency or in obligations issued by any state of the United States.

NOTES TO FINANCIAL STATEMENTS

The Authority's investments in the bonds of U.S. Government Agency Securities were rated AAA by Standard and Poor's. All investments other than the bonds of U.S. Government Agency Securities are issued by or explicitly guaranteed by the U.S. Government, which are not considered to have credit risk.

In addition to the previous investments, the Authority has U.S. Government Security Funds. The Goldman Sachs Financial Square Treasury Instruments Fund invests in a diversified portfolio of marketable debt securities issued by the United States and is rated AAAM by Standard and Poor's and Aaa by Moody's.

The components of investment income for the year ended June 30, 2009 are as follows:

Interest income	\$ 2,817,191
Unrealized gains on U.S. Treasury Securities and Agencies	<u>1,514,740</u>
	<u>\$ 4,331,931</u>

5. Defined Contribution Plan

The Authority provides pension benefits for all of its full time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible from the date of employment. The Authority contributes 10% of each participant's compensation for the plan year. The Authority's contributions for each employee are fully vested immediately. The Authority's total payroll for the year ended June 30, 2009 was \$340,142. The Authority's contribution to the plan was \$33,952 for the year ended June 30, 2009. The plan is administered by the First National Bank in Sioux Falls.

6. Debt Service Reserves

The bond indentures provide that reserve accounts be established for certain programs and institutions. The balances of the debt service reserves represents a portion of the liability account of amounts held under the terms of the bond indentures. The balances of the reserve accounts as of June 30, 2009 are as follows:

	<u>Required Balance</u>	<u>Balance</u>	<u>Actual Excess</u>
Debt service reserve	\$ <u>14,075,496</u>	\$ <u>15,109,551</u>	\$ <u>1,034,055</u>

NOTES TO FINANCIAL STATEMENTS

The debt service reserve contains funds held by the trustee in the event the institution is unable to meet payments. For the year ending June 30, 2009, all institutions were in compliance with the debt service requirements. The Authority maintains cash and investments in restricted accounts equal to the balances reported above which are included in the balance of the cash and investments on the balance sheet.

7. Arbitrage

Under the terms of the bond indentures, the institutions will pay any potential obligations due to the Internal Revenue Service. As such, no obligation for arbitrage is reported within this financial statement. Avera Health paid \$11,900 for the Series 1994, \$10,812 for the Series 2000 and \$150,367 for the Series 2006 during fiscal year 2009. There were no other payments made by institutions related to the bond issues on pages 27-34 in fiscal year 2009 for rebate obligations to the Internal Revenue Service as none were due.

8. Related Party Transactions

Representatives from certain South Dakota health and educational institutions serve as board members. The Authority has an unwritten policy that requires board members to abstain from voting on any project resolution if the board member has any vested business interest in the project.

9. Amounts Held Under the Terms of the Bond Indentures

The amounts summarized below are held by the Authority under the terms of the bond indentures. The amounts are comprised of various reserve accounts, payments received from institution which have not yet been applied to the receivables from institutions, and undisbursed project funds. When an institution has paid its debt in full, any remaining amount is payable to the institution.

Avera Health	\$ 73,702,419
Children's Care Hospital and School	832,523
Dakota Hospital Association	104,647
Dells Area Health Center	98,204
Huron Regional Medical Center	930,187
Miller School District	(7,920)
Prairie Crossings	(16,284)
Prairie Lakes Health Care System	2,646,186
Regional Health	8,157,877
Sanford Health	1,819,660
University of Sioux Falls	281,796

NOTES TO FINANCIAL STATEMENTS

Vocational Education Program 1998A	593,581
Vocational Education Program 1999	426,457
Vocational Education Program 2004	664,959
Vocational Education Program 2007	724,431
Vocational Education Program 2008	10,999,733
Westhills Village Retirement Community	<u>9,608,922</u>
	<u>\$ 111,567,378</u>

10. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; directors' and officers' and directors' errors and omissions; injury to employees; and natural disasters. During the period ended June 30, 2009, the Authority managed its risks as follows:

The Authority purchases from a commercial carrier, health insurance for its employees; liability insurance for risks related to torts, theft or damage of property and errors and omissions; and liability insurance for workmen's compensation. In addition, the Authority purchases directors' and officers' insurance with a liability limit of \$5,000,000 and a retention limit of \$100,000. There have been no claims under these insurance policies for the past four years.

11. Subsequent Events

Bond Issues

Subsequent to year-end through November 9, 2009 the Authority has issued the following bonds:

<u>Project</u>	<u>Dated</u>	<u>Amount</u>
Sanford Health, Series 2009	September 10, 2009	\$ 70,565,000

The Authority has evaluated subsequent events through November 9, 2009, the date which the financial statements were available to be issued.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

SUPPLEMENTARY INFORMATION
June 30, 2009

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY
SCHEDULE OF PROJECTS FINANCED
AS OF JUNE 30, 2009**

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
Augustana College, Series 1972A(2)	November 1, 1972	\$ 350,000
St. Joseph Hospital, Series 1973A(2)	January 1, 1973	2,045,000
St. Joseph Hospital, Series 1973B(2)	January 1, 1973	730,000
McKenna Hospital, Series 1973A(2)	April 1, 1973	15,250,000
McKenna Hospital, Series 1973B(2)	April 1, 1973	1,250,000
Rapid City Regional Hospital, Series 1976(2)	September 1, 1976	21,700,000
McKenna Hospital, Series 1976C(2)	November 1, 1976	1,060,000
Sioux Valley Hospital, Series 1976(2)	November 1, 1976	25,600,000
St. Luke's Hospital, Series 1977(2)	March 1, 1977	7,400,000
Maryhouse Nursing Home, Series 1977A & B(2)	March 1, 1977	780,000
Pioneer Memorial Hospital, Series 1977(2)	May 1, 1977	315,000
Rapid City Regional Hospital Note, 1978(2)	May 4, 1978	595,000
McKenna Hospital, Series 1978(2)	August 1, 1978	15,535,000
St. Mary's Hospital Note, 1978(2)	August 15, 1978	93,000
St. Mary's Hospital, Series 1979(2)	July 1, 1979	6,300,000
Crippled Children's Hospital & School, Series 1979(2)	July 1, 1979	5,275,000
Sacred Heart Hospital Collateralized Trust Notes, 1979(2)	September 5, 1979	3,000,000
Augustana College Note, 1980(2)	May 30, 1980	500,000
Sacred Heart Hospital, Series 1980(2)	August 1, 1980	14,900,000
St. Mary's Hospital Note, 1980(2)	August 15, 1980	500,000
St. Mary's Hospital Note, 1981(2)	February 24, 1981	115,000
Augustana College, Series 1981(2)	April 1, 1981	2,200,000
Crippled Children's Hospital & School, Series 1981(2)	April 1, 1981	700,000
McKenna Hospital, Series 1981(2)	May 1, 1981	36,970,000
St. Mary's Hospital Note, 1981(2)	August 1, 1981	175,000
St. Luke's Hospital, Series 1981(2)	October 1, 1981	1,385,000
St. Joseph's Hospital Note, 1981(2)	November 1, 1981	175,000
St. Joseph Hospital Note, 1981(2)	December 16, 1981	340,000
St. Luke's Hospital Note, 1982(2)	April 16, 1982	278,000
Western Dakota Vocational Technical Foundation, Series 1982(2)	June 1, 1982	400,000
Health Education Assistance Loan, Series 1982A(2)	November 10, 1982	4,840,000
Equipment Financing Program, Series 1982A(2)	December 1, 1982	19,070,000
Rapid City Regional Hospital, Series 1982(2)	December 1, 1982	18,255,000
Sioux Valley Hospital, Series 1982(2)	December 1, 1982	11,920,000
Augustana College, Series 1983(2)	April 1, 1983	2,200,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
Crippled Children's Hospital & School Note, 1983(2)	July 6, 1983	100,000
Platte Community Memorial Hospital Note, 1983(2)	September 14, 1983	70,000
St. Michael's Hospital Note, 1983(2)	September 14, 1983	250,000
St. Benedict Hospital Note, 1983(2)	September 14, 1983	175,000
Pioneer Memorial Hospital, Series 1984(2)	January 1, 1984	200,000
St. Joseph Hospital Note, 1984(2)	January 13, 1984	198,242
Rapid City Regional Hospital, Series 1984(2)	March 1, 1984	37,370,000
Black Hills Rehabilitation Hospital, Series 1984(2)	March 1, 1984	5,050,000
Sioux Valley Hospital, Series 1984(2)	May 1, 1984	10,000,000
Northern Hills General Hospital, 1984(2)	August 15, 1984	355,000
Health Education Assistance Loan, Series 1984(2)	November 30, 1984	6,000,000
United Cerebral Palsy Note, 1985(2)	January 5, 1985	400,000
McKenna Hospital, Series 1985A(2)	February 1, 1985	40,855,000
McKenna Hospital Note, 1985(2)	May 31, 1985	1,780,000
McKenna Hospital, Series 1985B(2)	May 15, 1985	11,120,000
Pooled Loan Program, Series 1985A(2)	July 15, 1985	45,000,000
Sacred Heart Hospital, Series 1985(2)	December 1, 1985	15,075,000
Northeastern Mental Health Center, Series 1985(2)	December 15, 1985	600,000
School District Tax Anticipation Promissory Note Program, Series 1986(2)	August 14, 1986	55,135,000
St. Joseph Hospital Note, 1986(2)	August 22, 1986	400,000
Sioux Falls College, Series 1986(2)	November 19, 1986	1,225,000
Westhills Village Retirement Community, Series 1986(2)	December 15, 1986	10,550,000
Bethany Lutheran Home for the Aged, Series 1987(2)	April 1, 1987	1,190,000
School District Cash Flow Financing Promissory Note Program, Series 1987A(2)	June 30, 1987	33,225,000
Rummel Memorial Home, Inc., Series 1987(2)	August 1, 1987	700,000
School District Cash Flow Financing Promissory Note Program, Series 1987B(2)	August 1, 1987	6,485,000
Vocational Education Program Revenue Bonds, Series 1987(2)	September 1, 1987	5,595,000
St. Mary's Hospital, Series 1988(2)	March 1, 1988	2,000,000
Health Education Assistance Loan Program Note, 1988(2)	March 31, 1988	4,500,000
Sioux Valley Hospital Note, 1988(2)	April 25, 1988	8,110,000
St. Luke's Hospital, Series 1988A(2)	May 3, 1988	10,000,000
McKenna Hospital, Series 1988A(2)	June 1, 1988	12,000,000
School District Cash Flow Financing Program, Series 1988(2)	July 13, 1988	32,945,000
Vocational Education Program, Series 1988(2)	August 1, 1988	11,120,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
St. Luke's Midland Regional Medical Center, Series 1988(2)	September 1, 1988	17,200,000
Sioux Valley Hospital, Series 1989(2)	January 15, 1989	54,000,000
School District Capital Outlay Lease Program, Series 1989A(2)	February 15, 1989	1,485,000
School District Capital Outlay Lease Program, Series 1989B(2)	February 15, 1989	8,650,000
McKenna Hospital, Series 1989A(2)	April 1, 1989	68,450,000
Prince of Peace Retirement Community Inc., Series 1989B(2)	April 1, 1989	8,700,000
Sioux Falls School District No. 49-5, 1989 Lease(2)	April 20, 1989	2,168,000
School District Cash Flow Financing Program, Series 1989(2)	July 11, 1989	34,990,000
School District Capital Outlay Lease Program, Series 1989C(2)	October 1, 1989	4,575,000
Rapid City Regional Hospital, Series 1989(2)	December 1, 1989	52,180,000
Southeastern Mental Health Center, Series 1990(2)	May 1, 1990	970,000
Vocational Education Program, Series 1990(2)	June 1, 1990	1,315,000
Dakota Wesleyan University, Series 1990(2)	June 1, 1990	800,000
Dakota Hospital Association, Series 1990(2)	June 26, 1990	275,000
McKenna Hospital, Series 1990(2)	July 1, 1990	32,836,717
School District Cash Flow Financing Program, Series 1990(2)	July 12, 1990	28,390,000
Sioux Falls School District No. 49-5, Series 1990(2)	August 9, 1990	3,844,858
School District Capital Outlay Lease Program, Series 1990A(2)	December 20, 1990	1,220,000
Community Disabilities Services, Series 1991(2)	May 1, 1991	1,525,000
Hill City School District No. 51-2, Series 1991A(2)	May 16, 1991	400,000
Sioux Valley Hospital, Series 1991(2)	June 1, 1991	34,300,000
Milbank School District No. 25-4, Series 1991B(2)	June 12, 1991	810,000
Health Education Assistance Loan Program Note, Series 1991(2)	June 12, 1991	1,500,000
Augustana College Association, Series 1991(2)	June 13, 1991	550,000
School District Cash Flow Financing Program, Series 1991(2)	July 9, 1991	35,265,000
Black Hills Workshop and Training Center, Inc., Series 1991(2)	August 1, 1991	2,270,000
St. Luke's Midland Regional Medical Center, Series 1991(2)	August 1, 1991	34,685,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
St. Joseph Hospital, Series 1991(2)	August 1, 1991	3,210,000
McKenna Hospital, Series 1991(2)	August 1, 1991	3,690,000
East Dakota Cooperative Educational Service Unit, Series 1991(2)	August 1, 1991	275,000
Hot Springs School District No. 23-2, Series 1991C(2)	October 8, 1991	350,000
Queen of Peace Hospital, Series 1992(2)	March 1, 1992	14,698,145
Miller School District No. 29-1, Series 1992A(2)	March 24, 1992	1,900,000
East Dakota Cooperative Educational Service Unit, Series 1992(2)	April 1, 1992	275,000
Prairie Lakes Health Care Center, Series 1992(2)	May 1, 1992	24,000,000
School District Cash Flow Financing Program, Series 1992(2)	July 14, 1992	40,670,000
Mitchell School District, No. 17-2, Series 1992B(2)	July 14, 1992	4,140,000
Rapid City Regional Hospital, Series 1992(2)	August 1, 1992	54,835,000
St. Mary's Healthcare Center, Series 1992(2)	August 1, 1992	7,190,000
East Dakota Cooperative Educational Service Unit, Series 1992B(2)	September 1, 1992	275,000
Sioux Valley Hospital, Series 1992A(2)	November 18, 1992	16,500,000
Dakota Wesleyan University, Series 1992(2)	November 25, 1992	5,180,000
Vocational Education Program, Series 1992(2)	December 15, 1992	8,785,000
Mitchell School District, No. 17-2, Series 1993A(2)	January 13, 1993	850,000
Webster School District, No. 18-4, Series 1993B(2)	January 13, 1993	920,000
School District Cash Flow Financing Program, Series 1993(2)	June 29, 1993	44,315,000
Vocational Education Program, Series 1993A(2)	August 1, 1993	6,950,000
Series 1993B(2)	August 1, 1993	2,830,000
Jenkins Methodist Home, Series 1993(2)	August 1, 1993	4,880,000
Prince of Peace Retirement Community, Inc., Series 1993(2)	September 1, 1993	9,165,000
Bon Homme School District, No. 04-2, Series 1993C(2)	October 26, 1993	1,240,000
East Dakota Cooperative Educational Service Unit, Series 1993(2)	November 1, 1993	175,000
Westhills Village Retirement Community, Series 1993(2)	December 1, 1993	13,095,000
Sioux Valley Hospital, Series 1993(2)	December 15, 1993	24,000,000
St. Luke's Midland Regional Medical Center, Note 1994(2)	February 23, 1994	2,266,055
Avon School District, No. 04-1, Series 1994A(2)	March 9, 1994	750,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
Huron Regional Medical Center, Series 1994	April 1, 1994	11,315,000
Mitchell School District, No. 17-2, Series 1994B(2)	April 13, 1994	1,400,000
Winner School District, No. 59-2, Series 1994C(2)	May 26, 1994	2,695,000
Marion School District, No. 60-3, Series 1994D(2)	June 1, 1994	650,000
School District Cash Flow Financing Program, Series 1994(2)	July 14, 1994	32,755,000
Belle Fourche School District, No. 09-1, Series 1994E(2)	July 25, 1994	750,000
Rummel Memorial Home, Inc., Series 1994(2)	September 1, 1994	600,000
Northwestern School District, No. 56-3, Series 1994F(2)	November 3, 1994	1,500,000
McKenna Hospital, Series 1994(2)	January 12, 1995	28,000,000
University of Sioux Falls, Series 1995(2)	March 1, 1995	1,520,000
Spearfish School District, No. 40-2, Series 1995A(2)	July 13, 1995	700,000
Lennox School District, No. 41-4, Series 1995B(2)	July 13, 1995	1,685,000
School District Cash Flow Financing Program, Series 1995(2)	July 18, 1995	32,795,000
McKenna Hospital, Series 1996	May 1, 1996	29,715,000
St. Luke's Midland Regional Medical Center, Series 1996(1)	May 1, 1996	8,140,000
Parker School District, No. 60-4, Series 1996A(2)	May 16, 1996	1,500,000
School District Cash Flow Financing Program, Series 1996(2)	July 18, 1996	24,040,000
Pioneer Memorial Hospital, Series 1996(2)	November 1, 1996	3,045,000
Sioux Valley Hospital, Series 1997(2)	July 1, 1997	14,105,000
Canton-Inwood Memorial Hospital, Series 1997(2)	July 1, 1997	2,735,000
Mid-Dakota Hospital Association, Series 1997(2)	July 1, 1997	2,085,000
Chamberlain Home for the Elderly, Inc., Series 1997(2)	July 1, 1997	615,000
Dakota Hospital Association, Series 1997	July 1, 1997	6,110,000
University Physicians, Series 1997	July 1, 1997	4,885,000
School District Cash Flow Financing Program, Series 1997(2)	July 1, 1997	12,180,000
Vocational Education Program, Series 1997(2)	December 1, 1997	10,365,000
Pioneer Memorial Hospital, Series 1998(2)	February 1, 1998	400,000
Northwestern School District, No. 56-3, Series 1998A(2)	March 17, 1998	1,150,000
Prairie Lakes Health Care System, Series 1998	March 26, 1998	14,840,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
Rapid City Regional Hospital, Series 1998	April 1, 1998	78,405,000
Vocational Education Program, Series 1998A	May 1, 1998	4,705,000
Mitchell School District, No. 17-2, Series 1998B(2)	June 15, 1998	5,960,000
School District Cash Flow Financing Program, Series 1998 (2)	August 4, 1998	4,795,000
Avera McKennan Series 1998(2)	September 1, 1998	20,600,000
Miller School District, No. 29-1, Series 1998C	September 11, 1998	1,390,000
Belle Fourche School District, No. 09-1, Series 1998D(2)	October 8, 1998	3,450,000
Rapid City Regional Hospital, Series 1999	June 3, 1999	14,880,000
Vocational Education Program, Series 1999	July 1, 1999	7,135,000
Westhills Village Retirement Community, Series 1999(2)	October 1, 1999	4,675,000
Prairie Crossings, Series 1999(1)	November 1, 1999	6,370,000
Children's Care Hospital and School, Series 1999(1)	November 1, 1999	9,315,000
University of Sioux Falls, Series 1999(2)	December 1, 1999	4,975,000
Sioux Valley Hospital, Series 2000(2)	February 29, 2000	30,000,000
Dells Area Health Center, Series 2000	February 29, 2000	5,100,000
Avera McKennan, Series 2000(2)	March 1, 2000	11,917,080
Avera St. Luke's, Series 2000(2)	March 1, 2000	6,168,465
Avera Queen of Peace, Series 2000(2)	March 1, 2000	9,259,455
Hot Springs School District, No. 23-2, Series 2000A(2)	September 26, 2000	2,000,000
Rapid City Regional Hospital, Series 2001	April 1, 2001	39,750,000
Sioux Valley Hospital, Series 2001A(2)	April 26, 2001	40,000,000
Sioux Valley Hospital, Series 2001B	June 26, 2001	5,975,000
Sioux Valley Hospital, Series 2001C	June 26, 2001	30,000,000
Sioux Valley Hospital, Series 2001D	June 26, 2001	31,835,000
Sioux Valley Hospital, Series 2001E	September 1, 2001	40,430,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
University of Sioux Falls, Series 2001	December 6, 2001	3,700,000
Sioux Valley Hospital, Series 2002A(2)	March 28, 2002	25,310,000
Avera McKennan, Series 2002	April 11, 2002	21,677,832
Avera St. Luke's, Series 2002	April 11, 2002	22,941,776
Avera Sacred Heart, Series 2002	April 11, 2002	15,000,392
Sioux Valley Hospital, Series 2002B(2)	June 1, 2002	14,350,000
Prairie Lakes Health Care System, Series 2002	October 1, 2002	15,000,000
Westhills Village Retirement Community, Series 2003	March 1, 2003	11,790,000
Rapid City Regional Hospital, Series 2003(2)	April 1, 2003	60,000,000
Avera McKennan, Series 2004(2)	May 18, 2004	31,360,610
Avera Queen of Peace, Series 2004(2)	May 18, 2004	11,753,754
Avera St. Luke's, Series 2004(2)	May 18, 2004	15,795,636
Sioux Valley Hospital, Series 2004A	September 1, 2004	52,000,000
Sioux Valley Hospital, Series 2004B	September 14, 2004	18,000,000
Vocational Education Program, Series 2004	December 30, 2004	6,265,000
University of Sioux Falls, Series 2005	February 23, 2005	6,000,000
Huron Regional Medical Center, Series 2005	January 6, 2006	5,225,000
Avera Health, Series 2006(2)	June 22, 2006	61,075,000
Westhills Village Retirement Community, Series 2006	July 1, 2006	12,055,000
Children's Care Hospital and School, Series 2007	March 29, 2007	8,705,000
Sanford Health, Series 2007	April 15, 2007	72,755,000
Prairie Crossings, Series 2007	April 16, 2007	4,115,000
Vocational Education, Series 2007	November 8, 2007	8,805,000
Avera McKennan, Series 2007	December 6, 2007	6,400,000

<u>Series</u>	<u>Dated</u>	<u>Amount Issued</u>
Avera Health System, Series 2008A	June 18, 2008	139,205,000
Series 2008B	June 18, 2008	50,320,000
Avera Health System, Series 2008C	July 1, 2008	61,495,000
Rapid City Regional Hospital, Series 2008	August 14, 2008	67,465,000
Vocational Education, Series 2008	September 16, 2008	<u>19,465,000</u>
		<u>\$2,842,138,017</u>

- (1) Issue has been advance refunded.
(2) Debt has been retired.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY
SCHEDULE OF ASSISTED PROJECTS FINANCED
AS OF JUNE 30, 2009**

<u>Series</u>	<u>Dated</u>	<u>Amount</u>
St. Ann's Corporation, Series 1988(2)	July 28, 1988	\$ 945,000
St. Benedict Hospital, Series 1988(2)	December 1, 1988	1,400,000
St. Joseph Hospital, Series 1988(2)	November 16, 1988	765,000
St. Michael's Hospital, Series 1989(2)	October 25, 1989	210,000
United Cerebral Palsy, Series 1989(2)	December 27, 1989	385,000
Bethel Lutheran Home, Series 1990	May 31, 1990	600,000
Baptist Hospital, Series 1991(2)	April 1, 1991	2,500,000
Every Citizen Counts Organization, Inc., Series 1991(2)	July 3, 1991	350,000
Marshall County Memorial Hospital, Series 1991(2)	August 20, 1991	177,000
Dakota Hospital, Series 1991(2)	December 31, 1991	1,500,000
St. Benedict Hospital, Series 1992(2)	March 1, 1992	199,000
Bethel Lutheran Nursing Home, Series 1992(2)	May 26, 1992	400,000
Hand County Memorial Hospital, Series 1993	March 15, 1993	1,100,000
St. Benedict Hospital, Series 1993	October 15, 1993	1,200,000
Sun Dial Manor, Series 1994	April 4, 1994	670,000
Dell Rapids Community Hospital, Series 1995	September 6, 1995	1,250,000
Queen of Peace Hospital, Series 1995(2)	December 13, 1995	750,000
Bethesda of Aberdeen, Series 1996	April 16, 1996	4,000,000
Bethesda Home for the Aged, Series 1996(2)	April 17, 1996	1,830,000
Eastern Star of SD, Series 1996(2)	April 18, 1996	850,000

<u>Series</u>	<u>Dated</u>	<u>Amount</u>
Bethel Lutheran Home, Series 1996(2)	September 26, 1996	1,300,000
Freeman Community Hospital and Nursing Home, Series 1996(2)	October 10, 1996	300,000
St. Benedict Health Center, Series 1997(2)	April 10, 1997	610,000
Hand County Memorial Hospital, Series 1997	October 15, 1997	700,000
Platte Community Memorial Hospital, Series 1997(2)	December 5, 1997	249,500
Queen of Peace Hospital, Series 1997(2)	December 29, 1997	800,000
Bethesda Home of Aberdeen, Series 1999	October 14, 1999	1,200,000
Avera St. Michael's Hospital Inc., Series 2000	February 23, 2000	1,435,000
Avera St. Benedict Health Center, Series 2001	December 28, 2001	600,000
Avera St. Benedict Health Center, Series 2003	November 4, 2003	500,000
Avera St. Benedict Health Center, Series 2005	May 10, 2005	2,500,000
Children's Care Hospital & School, Series 2005	October 14, 2005	2,900,000
Freeman Regional Health Services, Series 2006	September 29, 2006	750,000
Bethesda Home of Aberdeen, Series 2008	February 1, 2008	<u>2,000,000</u>
		<u>\$ 36,925,500</u>

-
- (1) Issue has been advance refunded.
(2) Debt has been retired.